

**AGENDA**

## FRANKLIN CITY COUNCIL

MONDAY, October 26, 2015 – CITY HALL COUNCIL CHAMBERS – 207 W. SECOND AVE.

**7:00 P.M.****Regular Meeting**

CALL TO ORDER . . . . . MAYOR RAYSTINE D. JOHNSON-ASHBURN

PLEASE TURN OFF CELL PHONES . . . . . MAYOR RAYSTINE D. JOHNSON-ASHBURN

PLEDGE OF ALLEGIANCE

Special Recognition: Employee Retirement Resolutions of Appreciation

CITIZENS' TIME: Western Tidewater Free Clinic Representative

## AMENDMENTS TO AGENDA

1. CONSENT AGENDA

- A. Minutes: September 28, 2015 Regular Meeting & October 5, 2015 Called Meeting
- B. Departmental Reports: August, 2015 (Separate File)
- C. Proclamation: October 29, 2015 – Arbor Day

2. FINANCE

- A. Financial Report: August, 2015

3. OLD/NEW BUSINESS

- A. VDOT Revenue Sharing Program Resolution # 2015 – 05
- B. City Manager's Report

4. COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS5. CLOSED SESSION

Closed Session - I move that the Franklin City Council meet in Closed Session to discuss and consider appointments to boards and commissions and consultation with the City Attorney pertaining to actual litigation, where such consultation or briefing in open meeting would adversely affect the litigating posture of the public body pursuant to Virginia Code Section 2.2 – 3711 (A)(1) and (7).

Motion Upon Returning to Open Session- I move that the only matters discussed during the session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened.

6. ADJOURNMENT

**UPCOMING ITEMS TO BE SCHEDULED**

The items below are intended to be reflective, and not inclusive of all subjects staff is working on to bring forward to City Council in the next two months. Both the time lines and subject matter are subject to change and should not be considered final.

**SUBJECT**

**TENTATIVE TIME LINE**

**City Council/School Board Joint Meeting**

**TBA**

**CONSENT AGENDA**

- A. Minutes: September 28, 2015 Regular Meeting & October 5, 2015 Called Meeting**
- B. Departmental Reports: August, 2015 (Separate File)**
- C. Proclamation: October 29, 2015 – Arbor Day**

The Franklin City Council held its regular meeting on Monday, September 28, 2015 at 7:00 p.m. in the Council Chambers at City Hall.

**Council Members in Attendance:** Raystine D. Johnson-Ashburn, Mayor; Barry Cheatham, Vice-Mayor; Benny Burgess, Mary Hilliard, Frank Rabil and Greg McLemore (Mona Murphy absent).

**Staff in Attendance:** Randy Martin, City Manager; Taylor Williams, City Attorney; Mark Bly, Director of Power and Light; Chief Vince Holt, Director of Emergency Services; Russ Pace, Director of Public Works; Brenda Rickman, Commissioner of the Revenue; Alan Hogge, Director of Social Services; and Chief Phil Hardison, Police Department.

**Others in Attendance:** Officer Kevin Muse, Franklin Police Department and Dan Howe, Executive Director, Downtown Franklin Association, Inc.

Mayor Johnson-Ashburn informed all that Councilwoman Murphy had contacted her and advised she could not attend the meeting.

### **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited by everyone in attendance.

Mayor Johnson-Ashburn thanked the Police Department for their service.

### **CITIZENS' TIME**

No one signed up to speak at Citizens' Time.

### **AMENDMENTS TO AGENDA**

Mr. Dan Howe, Executive Director of the Downtown Franklin Association spoke to Council about plans for the upcoming Franklin Fall Festival.

### **Consent Agenda**

#### **Minutes: September 14, 2015 Regular Meeting**

Mayor Johnson-Ashburn asked if there were any corrections or changes to the minutes. Hearing none she asked for a motion. Councilman Burgess made the motion to adopt the minutes of the September 14, 2015 Regular meeting as presented and Councilman McLemore seconded the motion. Mayor Johnson-Ashburn asked if there were any questions or discussion on the motion: hearing none she called for a vote.

The motion was approved by a 6 – 0 vote (Councilwoman Murphy absent).

#### **Departmental Reports**

There were no questions or comments on the Departmental Reports for July, 2015.

**Finance****City General Fund Debt Refunding/Restructuring Resolution # 2015 – 04 – Davenport & Company**

Mayor Johnson-Ashburn recognized Finance Director Rollins who introduced Mr. Jesse Bausch, Bond Counsel with Sands Anderson P.C. and Mr. Kyle Laux, Vice President with Davenport & Company; Financial Advisor for the city.

Mr. Laux reviewed next steps for the process of the Refunding/Restructuring of the City's existing debt. He briefly reviewed the previous actions taken by Council on this topic. He stated that he would be happy to answer any questions that Council may have.

Mayor Johnson-Ashburn asked if there were any questions.

Councilman McLemore inquired about the sum of the fees for Davenport and Company for this project.

Mr. Laux replied \$80,000 plus or minus was the estimated cost for Davenport's services and other associated fees for the financing.

Mayor Johnson-Ashburn recognized Mr. Jesse Bausch of Sands Anderson to present to Council the resolution # 2015 – 04. Mr. Bausch stated that this was basically a continuation of the last Council meeting where Council approved the Carter Bank proposal and locked in the interest rates. Mr. Bausch explained what was detailed in the resolution.

Mayor Johnson-Ashburn asked if everything was included in one resolution.

Mr. Bausch replied that yes it was just one action.

Councilman McLemore asked Mr. Bausch if his company was separate from Davenport and Company.

Mr. Bausch stated that Sands Anderson is a separate business from Davenport.

Councilman McLemore asked Mr. Bausch what were the fees for his company's service.

Mr. Bausch stated that they were somewhere between the \$35,000 to \$40,000 range in their capacity as bond counsel for the financing.

Mayor Johnson-Ashburn asked for a motion on the desired action.

Councilman Burgess made the motion to approve the resolution # 2015 – 04 providing for the issuance, sale and award of general obligation refunding bond Series 2015 and Vice-Mayor Cheatham seconded the motion.

There being no further discussion of the matter Council voted.

The motion was approved as follows:

Councilman McLemore, NAY; Councilman Burgess, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Mayor Johnson-Ashburn, AYE and Councilman Rabil, AYE (Councilwoman Murphy absent).

**Monthly Financial Report: June, 2015 (Fiscal Year End)**

Mayor Johnson-Ashburn recognized Director Rollins to present the monthly Financial Report. Director Rollins reviewed highlights of the preliminary Financial Report for July 1, 2015.

**General Fund Revenue Summary**

- Collections for Real Estate taxes for the month of July 2015 were higher than July 2014.
- Local Taxes are overall tracking the same as the prior year period with \$314,079 realized collectively.
- Estimated meal taxes reflect a positive gain of 13% over the prior year period.
- Cigarette taxes are less than the prior year period by \$7,600 or 21%.
- Lodging taxes are slightly lower than the prior year period.
- Estimated sales tax revenue is tracking 3.3% lower than the prior year period.

In other Local, State and Federal Revenue:

- Other local tax revenue (i.e. permits, fees, fines, charges for services) collections at July 31, 2015 are comparable to the prior year.
- Charges for services include the administrative transfer from the City's Enterprise Funds to the General Fund; the budget for FY 15 – 16 decreased slightly as a result of accurate cost allocation for administrative costs to the general fund. Other charges for services include ambulance billing charges which were slightly higher in July 2015 than the prior year period. Parks & recreation fees are also included in charges for services and reflect a decrease from the prior year period due to programs not being offered by Parks & Recreation in FY 15 – 16.
- State and federal revenue represents communication taxes, personal property tax relief, railroad tax revenue (non-categorical aid) shared expenses and CJS Law Enforcement, Street & Highway Maintenance Funds and state grants (categorical aid) and just a small amount of federal grant funds budgeted for the new fiscal year. For the purpose of this report, none of the applicable revenue is reflected as an accrual, and therefore receipts for July 2015 are shown as zero.

**General Fund Expenditure Summary**

July 2015 expenditures are considerably higher than July 2014. This is the result of July 2015 payroll accruals in which three (3) payroll cycles have been recorded. One of these cycles will be adjusted in the August 2015 report as this payroll cycle was accrued to the prior year period. In essence, July 2015 will reflect expenditures for two (2) payroll cycles where July 2014 only reflected one. Further expenditure analysis as to prior year comparison will be reported with the August 2015 monthly financial report.

**Enterprise Funds**

July 2015 operating expenditures are higher than July 2014. Like the General Fund, this is partially the result of July 2015 payroll accruals in which three (3) payroll cycles have been recorded. One of these cycles will be adjusted in the August 2015 report as this payroll cycle was accrued to the prior year period. In essence, July 2015 will reflect expenditures for two payroll cycles where July 2014 only reflected one. Further expenditure analysis will be reported in the August 2015 monthly financial report.

**Water & Sewer Fund**

- Revenue from the sale of water and sewer service charges of \$179,000 at July 31 is less than the prior year period. This is the result of water and sewer adjustment (billing error) stemming from June 2015. The correction of the billing reports from June is reflected in the July 25<sup>th</sup> billing. Absent of this adjustment, current year billed revenue is comparable to the prior year period.
- The cash balance in the Fund at the end of the month is \$1.97 million, a slight reduction from the \$2.0 million reported at June 30, 2015.

**Solid Waste Fund**

- Revenue for the Solid Waste Fund is on target with budgeted projections reaching 8.2% of budget and is comparable to the prior year period. Billed revenue in the fund reflects the reduction of the current year budgeted revenue resulting from the drop in the monthly solid waste fee to \$38.00 from \$39.74 in the prior year period.
- The cash balance in the Fund at the end of the month is \$500,732, an increase from the \$490,000 reported at June 30, 2015 and a \$40,000 or 8.0% increase from the prior year period.

**Airport Fund Summary**

Cash in the Fund (negative Cash position) partly reflects ongoing capital outlay expenditures whereby revenue reimbursement is realized after expenditure.

**Electric Fund Summary**

- Revenue in the Electric Fund represents one month of billed revenue at \$1.22 million for the sale of energy (8.5% of budget); the prior year period reflects revenue from the sale of energy of \$1.18 million (8.4% of budget).
- Expenditures associated with the sale of energy at \$818,000 are higher than the prior year period costs of \$740,000. Fuel adjustment costs are less which is attributable to the reduction in the fuel adjustment rate.

**Cash Balance**

Cash in the Electric Fund reflects a reduction from the prior year period at \$724,794 at the end of July 2015 versus \$957,439 million at the end of July 2014. Cash also decreased from the prior month by \$117,000 from \$842,000.

A comparison of July 2015 revealed the following which attributed to the variance in cash from the prior year period:

- While cash received from payments and other revenue remained relatively the same, expenditures for accounts payable, VMEA, and payroll were higher by \$56,300, \$106,000 and \$29,000 respectively.

A comparison of July 2015 to the prior month period (June 2015) revealed the following which attributed to the decline in cash from the prior month period.

- The July 2015 VMEA payment was \$158,000 more than the payment in June 2015. Expenditures for payroll are reported at \$31,000 more than the prior month and accounts payable exceeded the prior month by \$41,000. Collectively, expenditures exceeded the amount of cash credited to the fund by \$117,000.

Councilman Burgess asked Mrs. Rollins if we had received all the information that was needed from the schools.

Mrs. Rollins stated that the City had not as yet received all needed information, so Finance is using the figures that had been approved by City Council with that information included as a single line item until the breakdown is received from the Schools.

Councilman Burgess asked if we know what the schools are doing monthly with the money that they are spending.

Mrs. Rollins replied yes as a whole but not a breakdown of what it is.

#### **FY 2014 – 2015 City Budget Ordinance Amendments # 2016 – 04(Amended) and #2016 – 06**

##### **Budget Ordinance Amendment #2016 – 04 (Amended)**

Budget Amendment # 2016 – 04 was approved by City Council on August 10, 2015. Since then, additional year-end review and reconciliation has resulted in the need for an adjustment to the actual carryover balances at June 30, 2015.

The required action by City Council is to adopt the revision to Budget Amendment # 2016 – 04 to reflect the actual carryover balances at June 30, 2015.

Councilman Burgess made the motion to adopt the revision to Budget Amendment # 2016 – 04 to reflect the actual carryover balances at June 30, 2015 and Councilwoman Hilliard seconded it.

Mayor Johnson-Ashburn asked for any further questions or discussion and upon hearing none Council voted.

The motion was approved by a 6 – 0 vote (Councilwoman Murphy absent).

##### **Budget Ordinance Amendment #2016 – 06**

Final reconciliation (pre-audit) of FYE 6-30-15 financial reports revealed additional adjustments that require action by Council to provide supplemental appropriations to the following budgets:

Commissioner of the Revenue – Additional appropriation is required to cover the health insurance line item in FY 14 – 15. One employee was added to the plan after preparation of the budget. As a result, the line item was overspent by \$6,192. A previous appropriation was done for \$1,800; however, additional expenditures posted to the prior year have resulted in a need for a supplemental appropriation.

The request is to transfer \$1,000 from the Real Estate Assessor Budget to cover the required appropriation.



Human Resources – Additional appropriation is required to cover costs incurred in FY 14 -15 that were not covered in the initial budget (i.e. part time to full time earlier than anticipated and employee training). Unspent appropriations in various line items has significantly helped to cover the cost of these expenditures, however, the total budget was overspent by nearly \$1,000.

The request is to transfer funds from the City Manager’s Budget in the amount of \$1,000 to cover the required appropriation.

Information Technology – Additional appropriation is required to cover costs incurred in FY 14 – 15 that were not covered in the initial budget (i.e. mid-year salary adjustment, overtime and other costs associated with technology improvements). An additional \$10,000 is needed to cover costs associated with these expenditures.

The request is to transfer unspent appropriations in the Juvenile and Detention budget.

Building Maintenance – Additional appropriation in the amount of \$6,500 is required to cover the costs of utilities that exceeded the available appropriations. Expenditures exceeded the budget by \$8,838.

The request is to transfer unspent appropriations in the Juvenile and Detention budget.

Non Departmental – Additional appropriation is needed in the amount of \$350 to cover the cost of merchant card fees.

The request is to transfer unspent appropriations in the Juvenile and Detention budget.

The required action by Council is to approve Budget Amendment #2016 – 06 to reflect supplemental appropriations needed in the various budgets

Vice-Mayor Cheatham made the motion to approve Budget Amendment #2016 – 06 to reflect supplemental appropriations needed in the various budgets and Councilman Rabil seconded it.

Mayor Johnson-Ashburn asked if there were any questions or discussion.

Councilman McLemore asked why we were covering costs not paid from 2014 now.

Mrs. Rollins stated that they were from the Fiscal Year ended June 30, 2015.

The motion was approved with the vote as follows:

Councilman McLemore, NAY; Councilman Burgess, AYE; Councilwoman Hilliard, AYE; Vice-Mayor Cheatham, AYE; Mayor Johnson-Ashburn, AYE and Councilman Rabil, AYE (Councilwoman Murphy absent).

## **OLD/NEW BUSINESS**

### **City Manager’s Report**

Manager Martin reported that the City hosted a Virginia Resource Authority mini work shop in the Incubator on Thursday, September 24, 2015 with a good showing of participants’ from the City of

Franklin, our Southampton County partners, Downtown Revitalization members, Franklin City Public Schools, Councilman Burgess, as well as, Franklin-Southampton Economic Development, Inc.

Manager Martin stated that there were a couple of areas that we would be pursuing: Energy Performance Contracting area; which is what the Western Tidewater Regional Jail and the schools have done and the Tourism Financing opportunities as far as State grant funds. He reminded Council that the refunding bond issuance earlier approved was a bank financing instead of utilizing the VRA option originally considered.

Mayor Johnson-Ashburn asked if there were any questions or comments.

Councilman McLemore asked what the City would do with the tourism grant money if it is received.

Manager Martin stated that this grant would have to be related to tourism based businesses such as a hotel, restaurant or a business that would give tours on the river like a kayaking business. They are just examples, but jobs would have to be created and private investment made to qualify.

### **COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS**

Councilman Burgess advised Council about the Incubator Board meeting that was previously held and distributed a handout to Council that was given out at the last meeting. The handout is to show future tasks and goals for the staff of the Incubator. The Incubator is at 75% occupancy at the present. There is a current tenant that just closed on a piece of property and when they move out in the next six to eight months the Incubator will be at about 40% occupancy. The Incubator needs to be aggressively seeking new business in order to fill the vacancies that are being created. On the handout there are also events that are being offered by the Incubator for all businesses in order to help in their growth and continued success. They are still discussing the name as well because of marketing concerns it is presenting to the existing businesses in obtaining funding and new business for them because of the current name implying they are startups.

Vice-Mayor Cheatham deferred to Manager Martin to report on the HRTPO and the HRPDC meeting because he was in New York. Manager Martin stated that it was a normal meeting with nothing significant to report.

Councilman Rabil thanked Manager Martin, Attorney Williams, Director Pace and the Public Works staff for their work on a drainage problem on Homestead Road. He commended them for working in inclement weather conditions to correct a problem that would have caused a serious problem for a homeowner but was averted due their commitment to their job.

Mayor Johnson-Ashburn commented that the Downtown Main Street fall festival decorations looked great. She commended the Diva's and Dude's for their participation.

Manager Martin advised Council and the public that the property closing for Mechanic Street was completed last Monday, September 21, 2015. This is the second of three closings that have been finalized to date. He congratulated Attorney Williams for his efforts in this project.

Councilman Burgess thanked the Community Development department for their creativity and willingness to help a local business address some concerns and satisfy a need recently.

**Closed Session**

Councilman McLemore made the motion that the Franklin City Council meet in Closed Session to discuss and consider appointments to boards and commissions and consult with the City Attorney regarding specific legal matters requiring the provision of legal advice by counsel pursuant to Virginia Code Section 2.2 – 3711 (A) (1) and (7) and Councilman Burgess seconded the motion.

The motion was approved by a 6 – 0 vote (Councilwoman Murphy absent).

Pursuant to Virginia Code Section 2.2 – 3712 (F), Council included representatives of Senior Services of Southeast Virginia (SSSEVA) in a portion of the closed session discussion with the City Attorney.

**The Council entered into closed session at 7:55 p.m.**

Mayor Johnson-Ashburn reconvened the open session at 9:25 p.m. and asked for a motion certifying the closed session.

Councilman Rabil made a motion certifying that the only matters discussed during the closed session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened. The motion was seconded by Councilman McLemore.

The motion was approved by a 6 – 0 vote (Councilwoman Murphy absent).

**Adjournment**

Councilman McLemore made a motion to adjourn the meeting which was seconded by Councilwoman Hilliard.

The motion was approved by a 6 – 0 vote (Councilwoman Murphy absent).

**Mayor Johnson-Ashburn declared the meeting adjourned at 9:27 p.m.**

**These Minutes for September 28, 2015 City Council Meeting were adopted on the 26<sup>th</sup> day of October, 2015.**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk to City Council

The called Meeting of the Franklin City Council was convened by Mayor Raystine Johnson-Ashburn at 6:00 P. M. on October 5, 2015 at the Franklin City Hall Council Chambers Conference Room. The stated purpose of the called meeting was to hold a work session to further discuss Council priorities and provide direction to the City Manager for the year ahead and beyond.

**Council Members Present:** Mayor Raystine Johnson-Ashburn, Mayor; Barry Cheatham, Vice-Mayor; Benny Burgess, Mary Hilliard, Mona Murphy and Frank Rabil (Greg McLemore absent).

**Staff in Attendance:** Randy Martin, City Manager; and Mark Bly, Director of Power and Light.

### City Council Priorities Work Session

Mayor Johnson-Ashburn reviewed that the purpose of the called meeting was for City Council to conduct a work session to further discuss Council priorities and provide direction to the City Manager. City Manager Martin shared information with Council that had been distributed prior to the initial scheduling of this work session for September 14, 2015. The information included a memorandum reviewing previously established Council priority items currently being pursued and a copy of the Council adopted priorities developed in a January , 2015 retreat and adopted on June 8, 2015 during the FY 2015 – 2016 budget cycle. For background, the information also included the FY 2014 – 2015 goals adopted in June, 2014.

The Mayor suggested the members share up to three top priorities they would like to see be a focus. Councilwoman Hilliard shared her concern that some items may take precedent over others based upon unforeseen changes. Councilman Rabil acknowledged the need for consensus on measurable priority goals despite the fact that priorities can be altered due to changing circumstances. He noted the City Manager should communicate the need for any necessary changes consistent with the Manager's role in advising Council. Councilman Rabil felt time frames need to be put in place that are realistic about what can be accomplished with the City Manager responsible for developing action plans.

Councilwoman Murphy stated that Manager updates and time lines need to be put in place; but a couple of priorities need to be done with timely reports to Council.

The Council members then listed their individual suggested priorities for consideration as follows:

Councilwoman Murphy – human resources, personnel policy review and update; health insurance quotes requested; employee friendly website enhancements.

Councilwoman Hilliard – morale of city; personnel hiring of administrative assistant, utility of position changes over the years, focus on business community citywide not just downtown (e.g. golden mile).

Councilman Burgess – human resources, personnel policy review; consider hiring a grant writer (i.e. possibly share with, schools, Franklin Redevelopment and Housing Authority (FRHA) and/or counties); develop Franklin as a “retail center” (longer term goal); develop a city “brand”.

Vice-Mayor Cheatham – expedite hiring of key personnel, upgrades and review of positions/roles; rental housing inspection program; review options for reducing budget by outsourcing some services; provide budget breakdown of emergency services overtime expenditures (i.e. scheduled vs. nonscheduled);

consider as alternative to contracting a summer youth hiring program; health insurance (e.g. deductibles, Health Savings Account option).

Councilman Rabil – define role of administrative assistant (i.e. traditional secretarial environment may not be applicable any longer: rental inspection program; reorganize/refocus downtown revitalization efforts, enhance police presence/focus downtown; future opportunities for parks & recreation facilities.

Mayor Johnson-Ashburn – additional website upgrade (e.g. Boards & Commission activities/information, employee portal access, user friendly); health insurance comprehensive market analysis & plan review (e.g. review options offered, cost, deductibles); develop future vision for parks & recreation services; cemetery cleanup/rules enforcement efforts.

Council members discussed several of the items listed in greater detail and debated their merits. Following discussion, council members narrowed the list to priorities for focus and tentative time lines for each as follows:

1. (A) human resources/personnel policy review – City Manager will develop a range of cost estimates for third party review and updating of the policy manual (timeline: November, 2015 range of cost estimate)  
(B) Health insurance benefits analysis – City Manager review plan offerings and pursue requests for proposals (timeline: before Spring, 2016 plan renewal deadline)  
(C) key position review of job descriptions - City Manager review human resources, administrative assistant, parks & recreation director status and develop a plan of action with input on job description review offered by Councilman Rabil and Councilwoman Murphy (timeline: end of November 2015)
2. Rental Housing Inspection Program
  - (a) develop a limited scope for the program that is consistent with state law (e. g. limit scope to require inspections when tenants move out before new tenant can occupy unit); potentially phase in program with overall goal being “no one living in substandard housing” – City Manager, staff research options then develop an enforcement timeline, cost estimate, ordinance for review (timeline: calendar year end report)

Vice-Mayor Cheatham suggested the shared services committee discuss any partnering opportunities with Southampton County on items like grant writing, personnel sharing items.

The Council members suggested regular updates from the City Manager on progress including any obstacles to meeting timelines.

It was a consensus of Council that the Mayor and Vice-Mayor collaborate to develop a written summary of these priority discussions and provide a copy to Council and the Manager.

Before adjourning, Council discussed upgrading the ipad technology. It was a consensus that the Manager develop a price estimate and research a budget adjustment to fund then report a recommendation to Council for further consideration during the current fiscal year.

**Adjournment**

There being no further business for this called meeting, Mayor Johnson-Ashburn asked for a motion to adjourn.

Councilman Rabil made a motion to adjourn that was seconded by Vice-Mayor Cheatham.

The motion was approved by a 6 – 0 vote (Councilman McLemore absent).

**Mayor Johnson-Ashburn declared the meeting adjourned at 7:46 p.m.**

**These Minutes for October 5, 2015 City Council Called Meeting were adopted on the 26<sup>th</sup> day of October, 2015.**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk to City Council

# Arbor Day Proclamation

- Whereas**, In 1872 J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and
- Whereas**, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and
- Whereas**, Arbor Day is now observed throughout the nation and the world, and
- Whereas**, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife, and
- Whereas**, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products, and
- Whereas**, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, and
- Whereas**, trees, wherever they are planted, are a source of joy and spiritual renewal, and
- Whereas**, The City of Franklin celebrates its 31<sup>st</sup> consecutive year as a certified "TREE CITY USA" honored by the National Arbor Day Foundation,

**NOW, THEREFORE**, the FRANKLIN CITY COUNCIL, of the CITY OF FRANKLIN does hereby proclaim October 29, 2015, as

## "Arbor Day"

in the CITY OF FRANKLIN, and we urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and

**Further**, We urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

**Dated** this 26th day of October 2015.

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Raystine D. Johnson – Ashburn, Mayor



**FINANCE**

**A. Financial Report: August, 2015**





Monthly Financial Report Summary (Unaudited)  
for the Period Ending August 31, 2015

**General Fund Revenue Assumptions**

**Accruals:** Local Sales & Use Taxes, Meals Taxes and Lodging Taxes and Ambulance Billing. The Financial Report has been modified to adjust for these revenue sources on an accrual basis.

General Fund Revenue Summary

The General Fund is the City's primary operating fund and is used to account for all resources except those that are required to be accounted for in another fund.

Collections for Real Estate taxes (current and delinquent excluding accrual and associated penalties) for the month of August 2015 were higher than August 2014. This is due to the timing of both current and delinquent tax payments (i.e. payment of taxes by commercial tax payer and delinquent tax balances paid on residential accounts). The gain experienced is mostly associated with prior month collections as reported where collections increased by \$93,000 over the prior year period.

Personal Property collections lag behind the prior year period but are on target with budgeted projections with nearly \$11,000 or 17% of the budget realized at the end of the month.

Local Taxes

Taxes indicative of the City's local economy (Table 1) are overall tracking the same as the prior year period with a projected \$624,337 realized collectively.

- Estimated meals taxes earned reflect a positive gain of 6% over the prior year period and reflects 18% of the total budget.
- Revenue from cigarette taxes is nearly the same as the prior year period reaching 21% of the total budget.
- Revenue from lodging taxes is slightly lower than the prior year period however, receipts to date are in line with budget with 17% realized.
- Estimated sales tax revenue is tracking nearly the same as the prior year period with 15.3% of the budget realized at the end of the month.



Table 1

	Meals Taxes	Lodging Taxes	Cigarette Taxes	Sales Taxes	Total
Aug-14	235,925	29,512	71,230	274,082	610,749
Aug-15	251,446	25,936	70,126	276,829	624,337
Change \$	15,521	(3,576)	(1,104)	2,747	13,588
Change %	<b>6.17%</b>	<b>-13.79%</b>	<b>-1.57%</b>	<b>0.99%</b>	<b>2.18%</b>

Other Local, State & Federal Revenue

- Other local tax revenue (i.e. permits, fees, and fines) collections at August 31, 2015 are lower than the prior year period as anticipated. Building permit revenue surged in the prior year resulting from housing authority renovations.
- Charges for services include the administrative transfer from the City’s Enterprise Funds to the General Fund; the budget for FY15-16 decreased slightly as a result of accurate cost allocation for administrative costs to the general fund. Other charges for services include ambulance billing charges which were slightly higher in August 2015 than the prior period. Parks & recreation fees are also included in charges for services and reflect a decrease from the prior year period due to program offering changes by Parks & Recreation in FY 15-16.
- Miscellaneous revenue is significantly higher than the prior year period as a result of real estate sale transactions and late penalty fees reflected in the General Fund. The City has not received the revenue sharing annexation payment from Isle of Wight County as of August 31, 2015. As a result, the City’s net income as shown on page three of the financial report is adversely impacted.
- State & federal revenue represents communication taxes, personal property tax relief, railroad tax revenue (non-categorical aid). The amount at the end of the month is comparable to the prior year period. CJS Law Enforcement, Street & Highway Maintenance Funds and state grants (categorical aid) are normally received at the end of the quarter. For the purpose of this report, none of the categorical aid is accrued, and therefore receipts for August 2015 are shown as zero.



**General Fund Expenditure Summary**

August 2015 expenditures for most categories are within the range of 16% of total budget. Some categories as Elections, Courts and Sheriff and Library will reflect a larger percent of the budget spent when compared to budget due to quarterly payments. Overall, general fund expenditures at the end of August at \$2.30 million are \$110,000 or 5.0% higher than the prior year period.

<b><u>Category of Expenditure</u></b>	<b><u>8/31/2014</u></b>	<b><u>8/31/2015</u></b>	<b><u>Variance</u></b>	<b><u>Primary Reason for Decrease/Increase</u></b>
Elections, Courts & Sheriff	441,036	476,161	35,125	Increased payment for detention care
Law Enforcement	514,978	558,817	43,839	PSAP Grant Expenditure
Fire and Rescue	339,219	359,770	20,551	Worker's Comp & Other Operational Costs
	1,295,233	1,394,748	99,515	

**ENTERPRISE FUNDS**

**Water & Sewer Fund**

- Revenue from the sale of water and sewer service charges of \$429,000 at August 31 is less than the prior period. This is the result of water and sewer adjustment (billing error) stemming from June 2015 and carried into July 2015. August 2015 billed revenue of \$258,522 is comparable to the prior year period revenue of \$257,961.
- Expenditures in the Fund are significantly less than the prior year as a result of system sewer improvements made in the prior fiscal year.
- The cash balance in the Fund at the end of the month is \$2.08 million, an increase from the \$1.81 million reported at August 2014 and a slight increase over the \$1.97 million reported in July 2015.

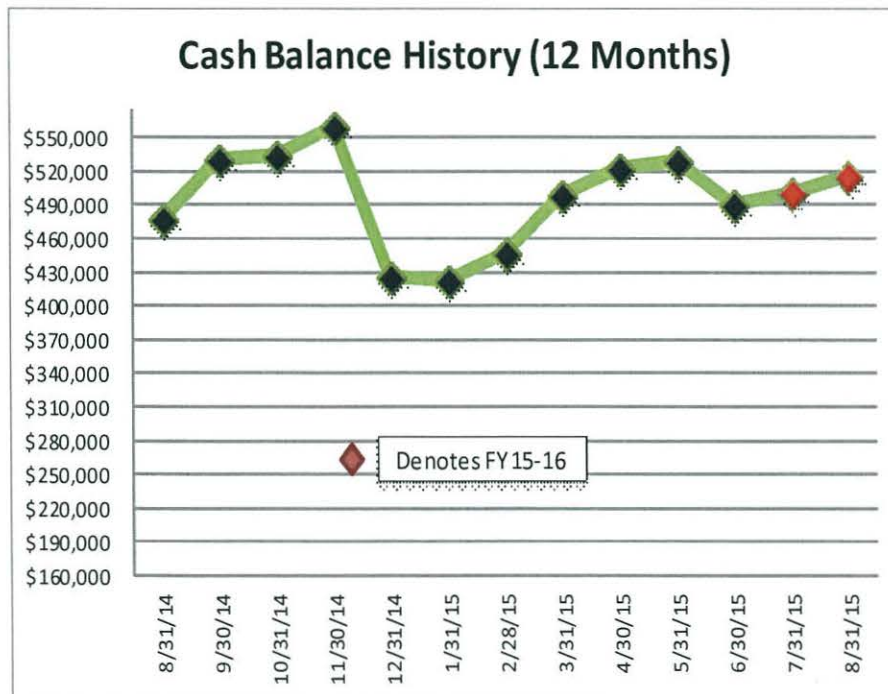
**Solid Waste Fund Summary**

- Revenue for the Solid Waste Fund is on target with budgeted projections reaching 16.4% of budget and is comparable to the prior year period. Billed revenue in the fund reflects the reduction of the current year budgeted revenue resulting from the drop in the monthly solid waste fee to \$38.00 from \$39.74 in the prior year period.
- The cash balance in the Fund at the end of the month is \$516,372, an increase of 5.0% from the \$490,000 reported at June 30, 2015 and a \$38,000 or 8.0% increase from the prior year period.

- Following is a snapshot of the funds' cash position by month for fiscal year 2014-2015 and the current year (FY2015-2016).

FYE 6/30/15		
Month	Cash Balance	Variance
30-Jun	\$438,294	
31-Jul	\$460,019	\$21,725
31-Aug	\$478,038	\$18,019
30-Sep	\$530,723	\$52,685
31-Oct	\$534,742	\$4,019
30-Nov	\$560,877	\$26,135
31-Dec	\$426,565	(\$134,312)
31-Jan	\$422,523	(\$4,042)
28-Feb	\$446,966	\$24,443
31-Mar	\$498,207	\$51,241
30-Apr	\$522,444	\$24,237
31-Aug	\$529,345	\$6,901
30-Jun	\$489,888	(\$39,457)
<b>Net Change Since July 31, 2014</b>		<b>\$51,594</b>

FYE 6/30/16		
Month	Cash Balance	Variance
30-Jun	\$489,888	
31-Jul	\$500,732	\$10,844
31-Aug	\$516,372	\$15,640
30-Sep		
31-Oct		
30-Nov		
31-Dec		
31-Jan		
28-Feb		
31-Mar		
30-Apr		
31-Aug		
30-Jun		
<b>Net Change Since July 31, 2015</b>		<b>\$26,484</b>



**Airport Fund Summary**

- Cash in Fund (negative Cash position) partly reflects ongoing capital outlay expenditures whereby revenue reimbursement is realized after expenditure.
- Revenue and operating expenditures are comparable to the prior year period.

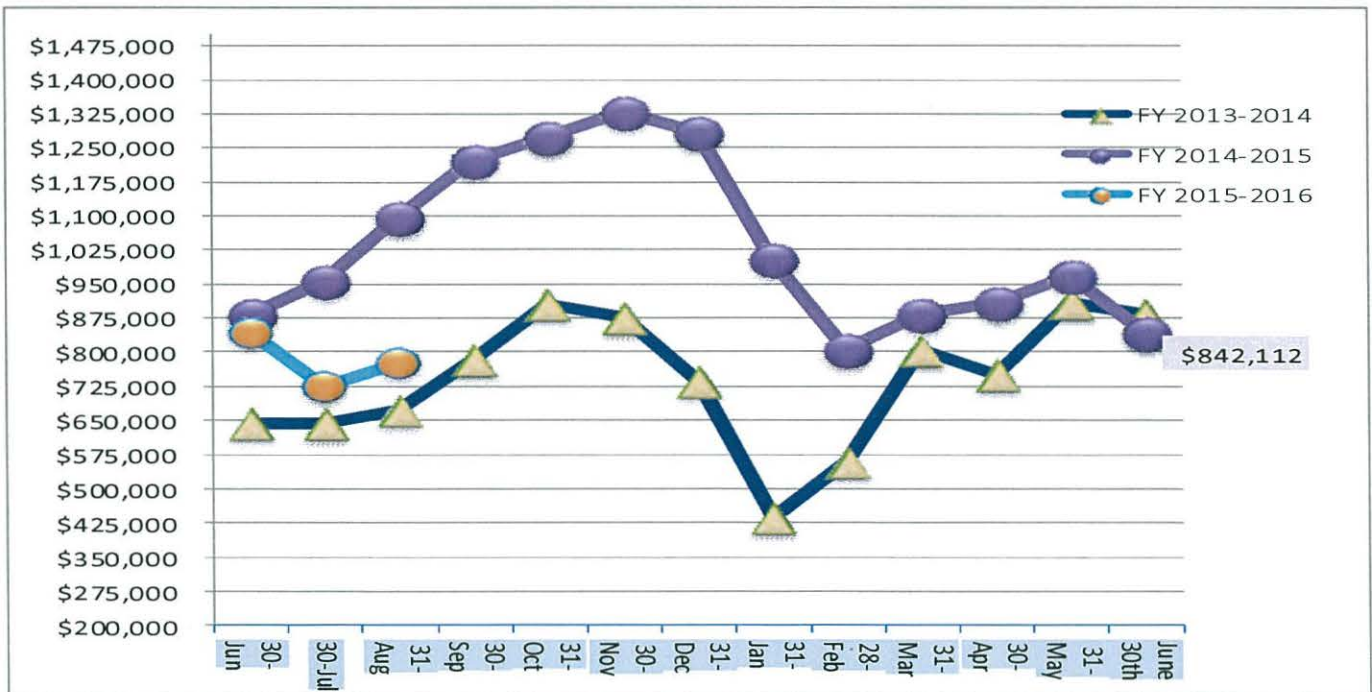
**Electric Fund Summary**

- Revenue in the Electric Fund represents two months of billed revenue at \$ 2.38 million for the sale of energy (16.7% of budget); the prior year period reflects revenue from the sale of energy of \$2.18 million (15.4% of budget).
- Expenditures associated with the sale of energy (excluding fuel adjustment) at \$1.5 mil are higher than the prior year period costs of \$1.09 mil. The difference of \$400,000 has adversely impacted the Fund’s available cash at the end of the period. Cost is within the budgeted projections.

**CASH BALANCE**

Cash in the Electric Fund reflect a loss from the prior year period at \$774,000 at the end of August 2015 versus \$1.09 mil at the end of August 2014. Cash increased from the prior month by nearly \$50,000 from \$724,000 as shown in Table 1.

**Table (1) – Past Fiscal Year History (2 Years) & Current Fiscal Year – Electric Fund Cash Position**





The month of July 2015 experienced a decline in Cash from the prior month of \$118,000 while the prior year (July 2014 from June 2014) saw a gain in Cash of \$75,000. In essence, cash position from the prior month reflects an adverse downward trend for the same time last year. While improvement has been made from July 2015 to August 2015, the fund's cash has not regained to the prior year level.

**Cash Balance Policy Evaluation**

**FY 2015-16** Cash Balance as a Percentage of Annual Revenues (excluding fuel adjustment) at **FYE 8/31/2015** = **\$774,246 mil** or 5.3%.

FY 2015 TOTAL REVENUE	15,812,638
Less Fuel Adjustment	(1,349,299)
Budget Basis for Policy	14,463,339
<b>10% of Annual Revenue</b>	<b>\$ 1,446,334</b>

**FY 2014-15** Cash Balance as a Percentage of Annual Revenues (excluding fuel adjustment) at **8/31/15** = **\$1.095 mil** or 7.6%.

**Policy Evaluation:** At the end of the month cash is below minimum policy level by **\$672,000**. FY 15-16 reflects a \$321,000 reduction in the Fund's cash position from the prior year period. In FY 14-15, cash in the Fund was below minimum policy level (\$1.430 million) by **\$335,000** at the end of same period.

**A LOOK AHEAD TO AUGUST 2015**

**ESTIMATED CASH AT 9/30/15 - \$775,000**

Below, Tables 2-4 reflect the billing versus payment analysis through August 31, 2015.



**Table 2.**  
**FY 2015-2016 REVENUE BILLED VERSUS PAYMENTS COLLECTED ANALYSIS**

	July	August	TOTAL**
BILLING	\$ 1,320,443	\$ 1,256,179	\$ 2,576,622
TOTAL PAYMENTS*	\$ 1,185,914	\$ 1,292,900	\$ 2,478,814
VARIANCE	\$ (134,529)	\$ 36,721	\$ (97,808)

**Total YTD - 96.2% of total billing amount has been collected**

**Table 3.**  
**FY 2014-2015 REVENUE BILLED VERSUS PAYMENTS COLLECTED ANALYSIS**

	July	August	TOTAL**
BILLING	\$ 1,369,562	\$ 1,152,150	\$ 2,521,712
TOTAL PAYMENTS*	\$ 1,154,236	\$ 1,306,546	\$ 2,460,782
VARIANCE	\$ (215,326)	\$ 154,396	\$ (60,930)

**Total YTD - 97.6% of total billing amount has been collected**

**Table 4.**  
**FY 2013-2014 REVENUE BILLED VERSUS PAYMENTS COLLECTED ANALYSIS**

	July	August	TOTAL**
BILLING	\$ 1,313,838	\$ 1,230,838	\$ 2,544,676
TOTAL PAYMENTS*	\$ 1,065,604	\$ 1,233,896	\$ 2,299,500
VARIANCE	\$ (248,234)	\$ 3,058	\$ (245,176)

**Total YTD - 90% of total billing amount has been collected**

\*\*Total Payments reflects the payments received by customers monthly, payment could be for any billing period.

Financial Report  
Period Ending August 31, 2015

(Unaudited)

CITY OF FRANKLIN						
FISCAL YEAR 2015-2016						
LOCAL TAX REVENUES						
	2015-2016	ACTUAL	BUDGET	2014-2015	ACTUAL	BUDGET
REVENUE SOURCE	BUDGET	8/31/2015	%	BUDGET	8/31/2014	%
Real Estate Taxes-Current	\$ 5,456,874	\$ 103,657	1.9%	\$ 5,283,742	\$ 55,484	1.1%
Real Estate Taxes-Delinquent	190,000	65,865	34.7%	190,000	38,881	20.5%
Personal Property Taxes-Current	1,450,000	-	0.0%	1,367,446	-	0.0%
Personal Property Taxes-Delinquent	65,000	10,985	16.9%	65,000	17,527	27.0%
Machinery & Tools	23,577	0	0.0%	65,000	280	0.4%
Penalties & Interest Taxes	145,000	28,272	19.5%	135,000	21,083	15.6%
Public Service Corporation Taxes	66,863	0	0.0%	61,818	0	0.0%
GENERAL PROPERTY TAX	\$ 7,397,314	\$ 208,779	2.8%	\$ 7,168,006	\$ 133,255	1.9%
<b>Local Sales &amp; Use Tax</b>	\$ 1,800,000	\$ 276,829	15.4%	\$ 1,750,000	\$ 279,188	16.0%
Consumer Utility Tax- Elec. & Water	480,000	\$ 94,422	19.7%	540,000	\$ 95,157	17.6%
Business License Tax	950,500	\$ 1,333	0.1%	930,500	\$ 11,595	1.2%
Motor Vehicle Licenses	180,000	\$ 3,476	1.9%	170,000	\$ 6,874	4.0%
Cigarette Tax	325,000	\$ 70,126	21.6%	300,000	\$ 71,230	23.7%
<b>Restaurant Meals Tax</b>	1,350,000	\$ 251,446	18.6%	1,260,000	\$ 235,925	18.7%
<b>Lodging Taxes</b>	150,000	\$ 25,936	17.3%	150,000	\$ 29,512	19.7%
Bank Stock	65,000		0.0%	58,000	\$ -	0.0%
Tax on Recordation & Wills	45,000	\$ 3,136	7.0%	35,000	\$ 4,538	13.0%
Right of Way Use Fees	25,000	\$ 237	0.9%	25,000	\$ 5,584	22.3%
Additional Taxes	2,500	\$ 1,589	0.0%	-	\$ 742	0.0%
OTHER LOCAL TAXES	\$ 5,373,000	\$ 728,530	13.6%	\$ 5,218,500	\$ 740,345	14.2%
<b>TOTAL TAXES &amp; LICENSES</b>	<b>\$ 12,770,314</b>	<b>\$ 937,309</b>	<b>7.3%</b>	<b>\$ 12,386,506</b>	<b>\$ 873,600</b>	<b>7.1%</b>
			1			



<b>FINANCIAL REPORT AS OF AUGUST 31, 2015 - 2 Month = 16%</b>						
	<b>CURRENT</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>2014-2015</b>	<b>ACTUAL</b>	<b>BUDGET</b>
<b>REVENUE:</b>	<b>BUDGET</b>	<b>8/31/2015</b>	<b>%</b>	<b>BUDGET</b>	<b>8/31/2014</b>	<b>%</b>
Taxes; Licenses	\$ 12,770,314	\$ 937,309	7.34%	\$ 12,386,506	\$ 873,600	7.05%
Permits, Fees, Fines	203,100	25,902	12.75%	231,836	70,639	30.47%
Use of Money & Property	270,848	119,732	44.21%	242,522	117,288	48.36%
<b>Charges for Services:</b>						
Court Services	9,300	182	1.96%	9,300	1,188	12.77%
Fire & Rescue	425,000	89,712	21.11%	463,519	77,286	16.67%
Animal & Building Services	17,100	-	0.00%	16,600	30	0.18%
Waste Removal Services	5,650	1,399	24.76%	13,900	673	4.84%
Administrative Services	932,192	156,638	16.80%	940,390	156,732	16.67%
Recreational Services	12,500	1,479	11.83%	15,100	5,015	33.21%
<b>Total Charges for Services</b>	<b>1,401,742</b>	<b>249,410</b>	<b>17.79%</b>	<b>1,458,809</b>	<b>240,924</b>	<b>16.52%</b>
Miscellaneous	444,742	95,850	21.55%	153,492	25,481	16.60%
Recovered Costs	281,000	1,449	0.52%	335,000	1,821	0.54%
Isle of Wight Rev. Sharing	680,000	-	0.00%	600,000	600,000	100.00%
<b>Total Misc. &amp; Recovered Costs</b>	<b>1,405,742</b>	<b>97,299</b>	<b>0</b>	<b>1,088,492</b>	<b>627,302</b>	<b>57.63%</b>
<b>State Aid:</b>						
Non Categorical Aid	1,666,597	152,047	9.12%	1,675,397	148,199	8.85%
Shared Expenses	183,096	10,888	5.95%	179,500	10,316	5.75%
Categorical Aid	2,106,644	-	0.00%	2,151,702		0.00%
<b>Total State Aid</b>	<b>3,956,337</b>	<b>162,935</b>	<b>4.12%</b>	<b>4,006,599</b>	<b>158,515</b>	<b>3.96%</b>
Federal Aid	66,595	-	0.00%	429,603	-	0.00%
<b>Subtotal Operating Revenue</b>	<b>\$ 20,074,678</b>	<b>\$ 1,591,138</b>	<b>7.93%</b>	<b>\$ 19,844,367</b>	<b>\$ 2,088,268</b>	<b>10.52%</b>
<b>EXPENDITURES:</b>						
<b>Operating Expense:</b>						
Legislative, General & Financial	\$ 2,285,371	\$ 312,822	13.69%	\$ 2,297,057	\$ 304,423	13.25%
Elections, Courts, Sheriff	1,402,541	476,161	33.95%	1,397,193	441,036	31.57%
Law Enforcement	3,618,918	558,817	15.44%	3,640,505	514,978	14.15%
Fire and Rescue	2,347,727	359,770	15.32%	2,393,892	339,219	14.17%
Community Development	510,282	71,941	14.10%	501,636	67,759	13.51%
Streets	1,865,091	177,587	9.52%	2,169,729	179,355	8.27%
Garage	230,282	31,532	13.69%	240,067	28,957	12.06%
Buildings and Grounds	1,010,888	136,846	13.54%	1,024,754	128,837	12.57%
Health	156,198	-	0.00%	156,198	-	0.00%
Parks and Recreation	450,190	85,868	19.07%	544,534	87,535	16.08%
Library	296,412	65,289	22.03%	292,373	64,401	22.03%
Planning & Beautification	174,966	23,533	13.45%	310,089	33,474	10.79%
Downtown Development	107,093	9,406	8.78%	107,093	9,289	8.67%
<b>Subtotal- Operating Expenses</b>	<b>14,455,959</b>	<b>2,309,572</b>	<b>15.98%</b>	<b>15,075,120</b>	<b>2,199,263</b>	<b>14.59%</b>

GENERAL FUND CONT'D						
	CURRENT	ACTUAL	BUDGET	2014-2015	ACTUAL	BUDGET
EXPENDITURES:	BUDGET		%	BUDGET		%
Payments to Southampton Co.	\$ 700,000	\$ -	0.00%	\$ 750,000	\$ -	0.00%
Non-Departmental Miscellaneous	21,000	7,109	33.85%	21,000	6,549	31.19%
Pass through Contributions	-	-	0.00%	-	-	0.00%
Total Operating Expense	\$ 15,176,959	\$ 2,316,681	15.26%	\$ 15,846,120	\$ 2,205,812	13.92%
Net Operating Income	\$ 4,897,719	\$ (725,543)	-14.81%	\$ 3,998,247	\$ (117,544)	-2.94%
<b>TRANSFERS - IN:</b>						
Transfer from Electric Fund	1,409,891	117,491	8.33%	1,409,891	234,982	16.67%
Use of Prior Year Fund Balance	343,595	-	0.00%	521,266	-	0.00%
Transfer from Proprietary Funds	137,710			-		
Use of Restricted Fund Balance				127,800		
Use of Fund Bal Reserve for Debt	475,028	-	0.00%	927,409	-	0.00%
Total Transfers In	\$ 2,366,224	\$ 117,491	4.97%	\$ 2,986,366	\$ 234,982	7.87%
<b>Total Revenue</b>	<b>\$ 22,440,903</b>	<b>\$ 1,708,629</b>		<b>\$ 22,830,733</b>	<b>\$ 2,323,250</b>	
To General Debt	\$ 479,150	\$ 88,670	18.51%	\$ 413,130	\$ 95,655	23.15%
To School Debt	634,392	-	0.00%	591,182	-	0.00%
To Water Fund	-	-	0.00%	-	-	0.00%
To Electric Fund	-	-	0.00%	-	-	0.00%
To Airport Fund	79,305	-	0.00%	112,247	-	0.00%
To Education Fund	4,987,395	831,233	16.67%	4,837,395	806,232	16.67%
To Education Fund-Carryover	343,545	-	0.00%	345,594		
To Social Services Fund	471,293	-	0.00%	456,738	-	0.00%
To Comprehensive Services Act	119,644	-	0.00%	135,000	-	0.00%
To Economic Dev Incubator	24,220	-	0.00%	57,833	-	0.00%
To Economic Dev Joint Fund	125,000	-	0.00%	125,000	\$ -	0.00%
Total Transfers Out	\$ 7,263,944	\$ 919,903	12.66%	\$ 7,074,119	\$ 901,887	12.75%
<b>Total Expenditures</b>	<b>\$ 22,440,903</b>	<b>\$ 3,236,584</b>		<b>\$ 22,920,239</b>	<b>\$ 3,107,699</b>	
<b>NET INCOME</b>	<b>\$ -</b>	<b>\$ (1,527,955)</b>	<b>3</b>	<b>\$ -</b>	<b>\$ (784,449)</b>	

<b>WATER AND SEWER FUND</b>						
	<b>CURRENT</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>2014-2015</b>	<b>ACTUAL</b>	<b>BUDGET</b>
<b>REVENUES:</b>	<b>BUDGET</b>		<b>%</b>	<b>BUDGET</b>		<b>%</b>
Sale of Water	\$ 1,300,000	\$ 189,055	14.54%	\$ 1,300,000	\$ 211,716	16.29%
Sewer Service Charges	1,750,000	239,881	13.71%	1,750,000	278,311	15.90%
Treatment Fees - Counties	82,500	13,526	16.40%	75,000	6,378	8.50%
Connection Fees	-	-	0.00%	-	16,000	
Administrative Fees	5,000	1,560	31.20%	5,000	1,070	
Other Revenues	250	60	24.00%	250	889	355.60%
<b>Total Current Revenue</b>	<b>\$ 3,137,750</b>	<b>\$ 444,082</b>	<b>14.15%</b>	<b>\$ 3,130,250</b>	<b>\$ 514,364</b>	<b>16.43%</b>
<b>EXPENDITURES:</b>						
Operating Expense:						
Water System	\$ 1,111,436	\$ 75,424	6.79%	\$ 1,419,018	\$ 109,742	7.73%
Sewer System	530,495	24,688	4.65%	1,153,588	\$ 414,095	35.90%
Treatment Plant	758,083	72,918	9.62%	763,453	66,740	8.74%
Administrative Transfer to GF	263,042	43,840	16.67%	285,920	47,653	16.67%
Operating Transfer to GF	82,626	13,771	16.67%		-	0.00%
Transfer to Gen Fund In Lieu Taxes	26,460	4,410	16.67%	26,460	4,410	16.67%
<b>Total Operating Expenses</b>	<b>\$ 2,772,142</b>	<b>\$ 235,051</b>	<b>8.48%</b>	<b>\$ 3,648,439</b>	<b>\$ 642,640</b>	<b>17.61%</b>
<i>Net Operating Income</i>	<i>\$ 365,608</i>	<i>\$ 209,031</i>	<i>57.17%</i>	<i>\$ (518,189)</i>	<i>\$ (128,276)</i>	<i>24.75%</i>
<b>TRANSFERS:</b>						
Use of Prior Year Fund Balance		\$ -	0.00%	\$ 885,123	\$ -	0.00%
Transfer from General Fund	-	-	0.00%	-	-	0.00%
Debt Service	\$ 365,608	\$ 43,804	11.98%	\$ 366,934	\$ 46,967	12.80%
<b>Total Expenses</b>	<b>\$ 3,137,750</b>	<b>\$ 278,855</b>		<b>\$ 4,015,373</b>	<b>\$ 689,607</b>	
<b>NET INCOME</b>	<b>\$ -</b>	<b>\$ 165,227</b>		<b>\$ -</b>	<b>\$ (175,243)</b>	
			4			

<b>ELECTRIC FUND</b>						
	<b>2015-2016</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>2014-2015</b>	<b>ACTUAL</b>	<b>BUDGET</b>
<b>REVENUES:</b>	<b>BUDGET</b>		<b>%</b>	<b>BUDGET</b>		<b>%</b>
Sale of Energy	\$ 14,232,589	\$ 2,381,799	16.73%	\$ 14,094,334	\$ 2,183,242	15.49%
Sale of Energy Fuel Adj	1,349,299	219,649	16.28%	2,335,039	362,552	15.53%
Other Revenue	210,750	30,889	14.66%	241,500	76,163	31.54%
Administrative Fee	20,000	3,460			2,010	
Proceeds Loan/Bonds	-	100	0.00%	-	79	0.00%
<b>Total Current Revenue</b>	<b>\$ 15,812,638</b>	<b>\$ 2,635,897</b>	<b>16.67%</b>	<b>\$ 16,670,873</b>	<b>\$ 2,624,046</b>	<b>15.74%</b>
<b>EXPENDITURES:</b>						
Energy for Resale (a)	\$ 9,873,999	\$ 1,500,679	15.20%	\$ 9,816,189	\$ 1,091,096	11.12%
Energy for Resale Fuel Adj (a)	1,363,097	227,788	16.71%	2,335,039	277,560	11.89%
Other Expenses	1,575,820	219,746	13.94%	1,487,039	142,195	9.56%
Capital Outlay	273,884	37,910	13.84%	265,000	27,387	10.33%
Reserve for Capital Expenditures	241,750	-	0.00%	250,000		0.00%
Reserve for Cash Replenishment	300,000	-	0.00%	331,197	-	0.00%
<b>Total Operating Expenses</b>	<b>\$ 13,628,550</b>	<b>\$ 1,986,123</b>	<b>14.57%</b>	<b>\$ 14,484,464</b>	<b>\$ 1,538,238</b>	<b>10.62%</b>
<i>Net Operating Income</i>	<i>\$ 2,184,088</i>	<i>\$ 649,774</i>	<i>29.75%</i>	<i>\$ 2,186,409</i>	<i>\$ 1,085,808</i>	<i>49.66%</i>
<b>TRANSFERS:</b>						
GF Transfer-Council Approved	\$ 1,409,891	\$ 234,982	16.67%	\$ 1,409,891	\$ 234,982	16.67%
GF Transfer-Administrative Services	440,218	73,370	0.00%	440,218	73,370	16.67%
GF Transfer - Payment in Lieu of Taxes	59,282	9,880	0.00%	59,282	9,880	16.67%
<b>Total Transfers</b>	<b>\$ 1,909,391</b>	<b>\$ 318,232</b>	<b>16.67%</b>	<b>\$ 1,909,391</b>	<b>\$ 318,232</b>	<b>16.67%</b>
Debt Service	\$ 274,697	\$ 25,235	9.19%	\$ 277,018	\$ 27,810	10.04%
<b>Total Expenses</b>	<b>\$ 15,812,638</b>	<b>\$ 2,329,590</b>		<b>\$ 16,670,873</b>	<b>\$ 1,884,280</b>	
<b>NET INCOME</b>	<b>\$ -</b>	<b>\$ 306,307</b>		<b>\$ -</b>	<b>\$ 739,766</b>	
			5			
<i>(a) Operating expenses for energy for resale and fuel adjustment costs reflect the September payment for the Aug 2015 Invoice billed in August but paid in September. Financial statements reflect two months of billed revenue and two months of expenditures to more accurately reflect the Fund's cash position.</i>						

<b>AIRPORT FUND</b>						
	<b>2015-2016</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>2014-2015</b>	<b>ACTUAL</b>	<b>BUDGET</b>
<b>REVENUE:</b>	<b>BUDGET</b>		<b>%</b>	<b>BUDGET</b>		<b>%</b>
Fuel Sales	\$ 177,232	\$ 9,805	5.53%	\$ 177,232	\$ 10,591	5.98%
Other Revenue	63,000	8,343	13.24%	63,700	9,288	14.58%
State Grants	3,000		0.00%	204,956	-	0.00%
Federal Grants		-	0.00%	1,380,406	-	0.00%
<b>Total Current Revenue</b>	<b>\$ 243,232</b>	<b>\$ 18,148</b>	<b>7.46%</b>	<b>\$ 1,826,294</b>	<b>\$ 19,879</b>	<b>1.09%</b>
<b>EXPENDITURES:</b>						
Operating Expenses	\$ 301,788	\$ 25,415	8.42%	\$ 309,167	\$ 22,651	7.33%
Capital Outlay	\$ -	\$ -	0.00%	\$ 1,617,239	\$ 11,781	0.73%
<b>Total Operating Expenses</b>	<b>\$ 301,788</b>	<b>\$ 25,415</b>	<b>8.42%</b>	<b>\$ 1,926,406</b>	<b>\$ 34,432</b>	<b>1.79%</b>
<b>Net Operating Income</b>	<b>\$ (58,556)</b>	<b>\$ (7,267)</b>	<b>12.41%</b>	<b>\$ (100,112)</b>	<b>\$ (14,553)</b>	<b>14.54%</b>
<b>TRANSFERS:</b>						
Prior Year Fund Balance	\$ -			\$ 6,728		
Transfer from Other Funds	\$ 79,305	\$ -	0.00%	\$ 112,247	\$ -	0.00%
<b>Total Revenue</b>	<b>\$ 322,537</b>	<b>\$ 18,148</b>		<b>\$ 1,945,269</b>	<b>\$ 19,879</b>	
Transfer to Other Funds	\$ 20,749	\$ 3,458	16.67%	\$ 18,863	\$ 3,144	16.67%
<b>Net Transfers To/From</b>						
Debt Service	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
<b>Total Expenses</b>	<b>\$ 322,537</b>	<b>\$ 28,873</b>		<b>\$ 1,945,269</b>	<b>\$ 37,576</b>	
<b>NET INCOME(LOSS)</b>		<b>\$ (10,725)</b>			<b>\$ (17,697)</b>	
			6			



CITY OF FRANKLIN  
 FISCAL YEAR 2015-2016  
 CASH BALANCES - AUGUST 2015

FUND		CURRENT YEAR	PRIOR YEAR
<b>General Fund</b>	<b>Note A</b>	<b>\$ 3,655,973</b>	<b>\$ 5,649,260</b>
Fund SNAP Proceeds		\$ 162,579	\$ 190,246
<b>Total General Fund</b>		<b>\$ 3,818,552</b>	<b>\$ 5,839,506</b>
<b>Water &amp; Sewer Fund</b>		<b>\$ 2,082,735</b>	<b>\$ 1,811,402</b>
Fund SNAP Proceeds		\$ 195,492	\$ 195,193
<b>Total Water &amp; Sewer Fund</b>		<b>\$ 2,278,227</b>	<b>\$ 2,006,595</b>
<b>Electric Fund</b>		<b>\$ 774,246</b>	<b>\$ 1,095,099</b>
Fund SNAP Proceeds		\$ 324,746	\$ 360,793
<b>Total Electric Fund</b>		<b>\$ 1,098,992</b>	<b>\$ 1,455,892</b>
<b>Solid Waste Fund</b>		<b>\$ 516,372</b>	<b>\$ 478,038</b>
<b>Airport Fund</b>		<b>\$ (93,203)</b>	<b>\$ (68,808)</b>
<b>TOTAL CASH FOR OPERATIONS</b>		<b>\$ 6,936,123</b>	<b>\$ 8,964,991</b>
<b>TOTAL CASH FOR CAPITAL PROJECTS</b>		<b>\$ 682,817</b>	<b>\$ 746,232</b>
<b>TOTAL CASH</b>		<b>\$ 7,618,940</b>	<b>\$ 9,711,223</b>

Note A

The Difference in General Fund Cash from the prior year is nearly \$2.0 million. This is mostly attributable to the following:

- ~ Funds requiring a transfer from the General Fund were balanced in June 2015 prior to the year end close. In FY 2014-2015 at the conclusion of June 30, 2014; these transactions had not taken place at the time of closing and were done in October. As a result, October 2014 cash position experienced a significant decrease from September 2014 ending at \$3.98 million.
- ~ A significant amount of revenue received in August 2014 has not been received as of the end of August 2015.
- ~ July 2015 had three payroll runs and five weeks of accounts payable expenditures; July 2014 had two and four respectively.
- ~ City transfer to School Fund was \$271,000 more at the end of FY 15 than the FY14 transfer. This also impacts the beginning cash balance going forward to July 2015.

**OLD/NEW BUSINESS**

- A. VDOT Revenue Sharing Program Resolution # 2015 – 05
- B. City Manager’s Report





**Revenue Sharing Application for FY 2016 - 2017 Resolution # 2015 - 05**

*At a regularly scheduled meeting of the Franklin City Council held on October 26, 2015, on a motion by \_\_\_\_\_, seconded by \_\_\_\_\_, the following resolution was adopted by a vote of \_\_\_\_\_ to \_\_\_\_\_.*

*WHEREAS, the Franklin City Council desires to submit an application for an allocation of funds of up to \$50,000 through the Virginia Department of Transportation Fiscal Year 2016 – 2017 Revenue Sharing Program; and*

*WHEREAS, \$50,000 of these funds are requested to fund rehabilitating two large diameter culvert pipes located under Banks Street and under Oak Street for drainage issues; and*

*NOW, THEREFORE, BE IT RESOLVED that: The Franklin City Council hereby supports this application for an allocation of \$50,000 through the Virginia Department of Transportation Revenue Sharing Program.*

*BE IT FURTHER RESOLVED THAT the Franklin City Council hereby grants authority for the City Manager to execute project administration agreements for any approved revenue sharing projects.*

*This resolution was adopted by the City of Franklin City Council during their regular meeting held on October 26, 2015.*

*Signed and approved by the following authorized representative:*

*Signed:* \_\_\_\_\_

*Title:* \_\_\_\_\_

*Date:* \_\_\_\_\_

## Robert Randy Martin

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**From:** Chad Edwards  
**Sent:** Friday, October 16, 2015 12:18 PM  
**To:** Russ Pace; Robert Randy Martin; Taylor Williams  
**Subject:** Revenue Sharing Project for FY17  
**Attachments:** Revenue\_Sharing\_App\_2015.doc; Sample\_resolution.doc

Gentlemen,

Attached is a revenue sharing application for FY 16-17 that we would like to send to VDOT for consideration. Also, attached is a sample resolution which will need to be approved by City Council. This is an application for funds in which the City will pay for half of the project and VDOT will reimburse the City for the other half of the project. The application is due to VDOT by December 1, 2015.

This project consists of rehabilitating two large diameter culvert pipes. One is located under Banks Street and the other is located under Oak Street. The current culverts are corrugated metal and well over fifty years old. They are in constant need of repair and have outlived their useful life. Our anticipated Drainage CIP funds would allow for the rehabilitation of one of the culverts in FY17 but with the VDOT matching funds we would be able to rehabilitate both culverts.

If there is anything else pertaining to the resolution you may need from us, please let me know.

Thank you for your consideration in this matter,

Chad Edwards

## REVENUE SHARING DETAILED APPLICATION FOR FUNDS

SEPARATE APPLICATION REQUIRED FOR EACH PROJECT TO BE CONSIDERED

Total locality request cannot exceed \$10M (which includes any maintenance funding requested). Maintenance request total cannot exceed \$5M per locality  
Projects receiving funding under this program are to be initiated and a portion of the Revenue Sharing funds expended within one year of allocation

FY: <u>2016-17</u>	City of <u>City of Franklin</u>	District: <u>Hampton Roads</u>
# of Applications Locality is submitting: <u>1</u>		

**PROJECT INFORMATION: (Please TAB from field to field)**

Locality's Priority #: <u>1</u>	Route #: _____	and local road name, if available: <u>Bank Street and Oak Street</u>
State Project Number: <u>N/A</u>	UPC #: <u>0</u>	
Has project previously received Revenue Sharing funding? <u>No</u> If "Yes", indicate Fiscal Year(s) _____		
Does project meet a transportation need identified in VDOT's Statewide Transportation Plan? <u>Yes</u>		
Has an application also been submitted requesting HB2 funds for this project? <u>No</u>		
Is project in Locality's Capital Plan and only by receipt will these funds advance the project advertisement date? <u>Yes</u> (Current Advertisement: <u>07/01/2018</u> ; Advanced Advertisement: <u>11/01/2016</u> )		
Is project work for pavement resurfacing or bridge rehabilitation where the maintenance analysis determines the infrastructure does not meet the Department's performance guidelines? <u>No</u> If "Yes", does local VDOT Manager have this documentation? <u>&gt;select&lt;</u> <i>Requests for pavement resurfacing or bridge rehabilitation (maintenance) lacking this documentation will not meet the higher priority selection criteria.</i>		
Scope of Work: <u>Drainage Improvements</u> Project Type: <u>Construction</u> ("Project Type" will be used in priority selection)		
Description of work: <u>Rehabilitation of Large Diameter Drainage Pipes</u>		
Length: _____ (miles) From: _____ To: _____		

**PROJECT ESTIMATES (Please TAB from field to field)**

PHASE	*Total Estimated Project Cost	Sections below pertain to Revenue Sharing funded portion only:		
		Estimated Eligible Project Costs	Estimated Eligible VDOT Project Expenses	Estimated Reimbursement to Locality
PE	\$ 7,500	\$ 7,500	\$ 2500	\$ 1,250
RW	\$ 0	\$ 0	\$ 0	\$ 0
CN	\$ 92,500	\$ 92,500	\$ 2500	\$ 43750
<b>TOTAL</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$5,000</b>	<b>\$45,000</b>

**PROJECT TO BE ADMINISTERED BY – LOCALITY – If "LOCALITY", please answer for each phase (PE, RW, and CN) below**

Please note that indicating <b>any</b> phase of project work to be administered by the locality and reimbursed using Revenue Sharing Program funding constitutes a "Locally Administered Project". Submission of this application represents the locality's request to administer (RtA) the project work.		
has PE Phase:	Yes; Reimbursement will be Requested	<i>The RtA is not required – however, for an application for a project exceeding \$5M estimated construction costs it is recommended that the locality use the self-evaluation form in the LAP Manual to assist in assessing its ability to manage a complex project. Local administration of a complex project will be at VDOT's discretion.</i>
has RW Phase:	n/a	
has CN Phase:	Yes; Reimbursement will be Requested	

**PROJECT FINANCIAL INFORMATION (Please TAB from field to field)**

VDOT Revenue Sharing matching funds UP TO \$1M requested for this <b>CONSTRUCTION</b> project for FY 2017:	\$ 50,000
VDOT Revenue Sharing matching funds OVER \$1M requested for this <b>CONSTRUCTION</b> project for FY 2017:	\$ 0
VDOT Revenue Sharing matching TOTAL application request: (right click on "\$0" to the right & "Update Field" for total)	<b>\$50,000</b>
Total of other State / Federal / Local funds (enter amount to the right to include previous state & local revenue sharing funds):	\$ 50,000
List types of other funds: <u>Local Match</u>	
Total funding to be programmed on Project <small>*(this line should equal total estimated project cost from above): (right click on "\$0" &amp; "Update Field" for total)</small>	\$100,000

**COMMENTS**

<p>My signature below certifies this information is accurate and the locality has the required funding to match the amount being requested, if approved.</p> <p>Submitted by: <u>Russell Pace, DPWe</u> &amp; title&lt;</p> <p style="text-align: center;"><small>sign here for original hard-copy submission</small></p> <p style="text-align: center;">Signature of Locality Official _____ Date _____</p>	<p>My signature below certifies I have reviewed this application and, to the best of my knowledge, the information is accurate and the project work meets eligibility requirements to receive Revenue Sharing funding.</p> <p style="text-align: center;">Sonya Hallums-Ponton <small>OT</small> Official name &amp;</p> <p>Reviewed by: <u>title&lt;</u></p> <p style="text-align: center;"><small>sign here for original hard-copy submission</small></p> <p style="text-align: center;">Signature of VDOT Official _____ Date _____</p>
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## **REVENUE SHARING DETAILED APPLICATION FOR FUNDS**

### **SEPARATE APPLICATION REQUIRED FOR EACH PROJECT TO BE CONSIDERED**

Total locality request cannot exceed **\$10M** (which includes any maintenance funding requested). Maintenance request total cannot exceed **\$5M** per locality  
Projects receiving funding under this program are to be initiated and a portion of the Revenue Sharing funds expended within one year of allocation

An original, signed application must be forwarded to your local VDOT Manager, along with a resolution supporting this application by the deadline listed in the "Call for Applications" letter.

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**COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS**